

Default Management Plan for Students in Receipt of US Federal Financial Aid (Title IV Aid)

This default management plan contains some of the strategies used by the University of Aberdeen to help our American Loan Students understand the responsibility of borrowing loans to fund their degree studies. The purpose is to reduce the number of students who default on loan repayments.

1. Entrance and Counselling

All first-time borrowers of Direct Loan program, new students or students changing study path are required to undertake entrance counselling where students are advised about:

- how the master promissory note works,
- the importance of repaying the loan,
- the consequences of default, and
- sample monthly repayment amounts

A copy of the Entrance Counselling is retained in the student file.

2. Early Identification and Counselling for Students at Risk of Progression/Withdrawal

The University is responsible for monitoring borrowers who are at risk of non-progression or withdrawing and counselling students according to circumstances with a view to retaining those students.

3. Communication

All Federal Direct Loan students are directed to the mandatory Foreign Schools Consumer Information. Academic progress and enrolment status are held on the central student record system which is accessible by all relevant offices across campus including the office that disburses funds and authorise payments. Up to date contact information for both the student and next of kin is obtained from students at enrolment.

4. Exit Counselling

Graduating and withdrawing students are advised that they must undertake Exit Counselling as a condition of borrowing Federal Direct Loans. All students are directed to:

<https://studentaid.gov/exit-counseling/>

Students must confirm to the US Loan Administrator that they have completed exit counselling and a copy is retained in the student file.

5. Timely and Accurate Enrolment Reporting

As a condition of our eligibility to certify Direct Loans, we are required to submit accurate enrolment updates to the National Student Loan Data System (NSLDS) at regular intervals throughout the year.

6. Analyse Defaulted Loan Data to Identify Defaulter Characteristics

Defaulted loan data is monitored to identify defaulting borrowers and to analyse reasons the reasons for defaulting. We use this information to improve default prevention and management practices and initiatives. Internal data includes key information such as school attended, program of study, demographics, grades, etc. The Loan Record Detail Report (LRDR) is reviewed to determine if there are common characteristics among defaulters.

We make use of the recommended tools listed below to ensure data accuracy and use effective loan counselling and default prevention management techniques to aid students and the University.

7. Where do I begin?

FSA Assessments for Default Prevention and Management

<https://fsapartners.ed.gov/financial-aid-delivery/default-prevention-and-management>

8. Loan Counselling

- Students and Counsellors <http://www.studentaid.gov/>
- The Student Guide and NSLDS for Students <http://www.studentaid.gov/>
- How much will it cost? <https://studentaid.gov/entrance-counseling/>
- How will I pay for it? <https://studentaid.gov/sa/repay-loans>
- Will I make enough money in my chosen occupation to repay student loans I receive? <https://studentaid.gov/loan-simulator/>
- Repaying Your Student Loans <https://studentaid.gov/sa/repay-loans>
- Ombudsman Office <https://studentaid.gov/sa/repay-loans/disputes/prepare/contact-ombudsman>
- Ensuring Student Loan Repayment Best Practices for Schools <https://fsapartners.ed.gov/sites/default/files/attachments/eannouncements/0118nhbook1web.pdf>
- SFA Assessments for Schools <https://fsapartners.ed.gov/knowledge-center/library/handbooks-manuals-or-guides/1998-06-16/institutional-eligibility-and-administrative-requirements-administrative-and-fiscal-standards>
- Jump Start Coalition for Personal Financial Literacy <http://www.jumpstart.org/>

9. Enrolment Reporting and Data Accuracy

- NSLDS Enrolment Reporting Guide, formerly SSCR User's Guide https://fsapartners.ed.gov/sites/default/files/attachments/2019-12/NewNSLDSEnrollmentReportingGuide_0.pdf
- NSLDS Date Entered Repayment Report, School Repayment Information Loan Detail Report, and Enrolment Reporting Summary Report <https://nslsdfap.ed.gov/>
- NSLDS Reports, requesting and formatting questions Reports Tab <https://nslsdfap.ed.gov/>
- Cohort Default Rate Guide for challenges, adjustments, and appeals information <https://fsapartners.ed.gov/knowledge-center/topics/default-management/cohort-default-rate-guide>

10. Default Prevention

- FSA Assessments <https://fsapartners.ed.gov/knowledge-center/topics/default-management>
- Ensuring Student Loan Repayment Best Practices
<https://fsapartners.ed.gov/sites/default/files/attachments/eannouncements/0118nhbook1web.pdf>
- NSLDS Reports and Exit Counselling Loan - Exit Counselling Completion Report – EXTC01
<https://nslsdfap.ed.gov/>
- NSLDS Reports, requesting, and formatting questions Reports Tab
<https://nslsdfap.ed.gov/>
- Late Stage Delinquency Assistance (LSDA) Guide
<https://fsapartners.ed.gov/sites/default/files/attachments/presentations/04SpringDLWkshopReducingDLDefaultsLSDA.pdf>
- Direct Loan Schools can access via COD website <https://fsapartners.ed.gov/home/>
- Default Prevention Strategies <https://fsapartners.ed.gov/financial-aid-delivery/default-prevention-and-management>

or contact your Loan Servicer

11. General Connections/Publications

- Information for Financial aid Professionals (IFAP) Knowledge Library with publications, training, tools, references, laws, etc. <https://fsapartners.ed.gov/home/>
- The Office of Federal Student Aid <https://www2.ed.gov/about/offices/list/fsa/index.html>
- The Student Guide <http://www.studentaid.gov/>
- National Student Loan Data System <https://nslsdfap.ed.gov/>